

Fiscal Note

Fiscal Services Division



SF 2227 – Home and Community-Based Services Ongoing Exception to Policy (LSB 5323SV)
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Fiscal Note Version – New

Description

Senate File 2227 directs the Department of Human Services (DHS) to adopt rules specifying that a recipient of services under the Medicaid Home and Community-Based Services (HCBS) waiver, through an exception to policy, must have those services renewed when they come due for review if the individual's primary health care provider submits a confirmation to the DHS stating that there is little or no probability that the individual's status related to the existing exception to policy was granted will significantly change in the period until the next review.

Background

The DHS grants a wide variety of exceptions to policy requests for individuals on the HCBS waivers that include items such as additional services to keep an individual in their home, temporary rate increases due to a lack of providers in an area, or out-of-state placements for specialized providers. Exceptions to policy are generally a year in length, but in some cases they are reviewed more frequently.

Assumptions

- The DHS received 2,305 renewal requests for exceptions to policy in FY 2013.
- Based on historical review, 8.0% of exception to policy renewal requests were either denied or withdrawn.
- The DHS spends an average of \$2,250 per month above the allowed amount for exception to policy cases.
- The DHS believes this legislation is in conflict with federal law because the exception to policy request will no longer be subject to approval by the Medicaid agency. Because of this, it is unknown if federal funding will be available.
- It is unknown how many of the 8.0% of individuals denied will seek a renewal through a primary care provider or how many individuals will have a change in their condition making them ineligible for renewal.

Fiscal Impact

The fiscal impact for **SF 2227** cannot be determined. It is unknown how many of the 8.0% of individuals denied will seek a renewal through a primary care provider or how many individuals will have a change in their condition making them ineligible for renewal. In addition, due to the complexity and wide variety of exception to policy requests, a primary care provider may not be in the best position to know if the circumstances leading to the exception to policy request have changed. It is also unknown if federal funding will be available. If the 8.0% of exception to policy cases that were previously denied are now renewed based on a primary care physician's approval and no federal funding is available, it could cost the State up to \$5.0 million in FY 2015. The DHS believes this change in policy will increase the number of exception to policy requests in the future and could increase costs.

Source

Department of Human Services

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
